

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(16 November 2020 – 20 November 2020)

| Countries | Highlights |
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| US US retail sales lose speed as pandemic, lack of fiscal stimulus weigh | <p>US retail sales increased less than expected in October and could slow further, restrained by spiralling new COVID-19 infections and declining household income as millions of unemployed Americans lose government financial support. Retail sales rose 0.3% last month, the smallest gain since the recovery started in May, after increasing 1.6% in September. They account for the goods component of consumer spending, with services such as healthcare and hotel accommodation making up the other portion. Consumers bought motor vehicles at a much slower pace than in previous months. There were increases in sales of electronics and appliances, as well as building materials and garden equipment. But households cut back spending on sporting goods and hobbies, clothing, furniture, drinking and dining out.</p> <p style="text-align: right;"><i>(Source: Reuters, 17 November 2020)</i></p> |
| UK UK to unveil record £400 billion borrowing plan next week | <p>British finance minister Rishi Sunak will announce the heaviest public borrowing since World War Two when he spells out his spending plans next week after the biggest economic crash in over 300 years. Spending on the pandemic is on track to exceed 200 billion pounds this year after the extension of job protection programmes, and other costs are likely to spill into the 2021/22 fiscal year. Only the armed forces will receive a multi-year increase in funding as Prime Minister seeks to boost Britain's profile outside the European Union. Sunak's other spending announcements on Wednesday are likely to be dwarfed by the scale of new borrowing forecasts which will underscore the need for future tax rises.</p> <p style="text-align: right;"><i>(Source: Reuters, 20 November 2020)</i></p> |
| JAPAN Japanese economy posts record 21.4% annualised growth in Q3 | <p>Japan's economy grew an annualised 21.4% in July-September, rebounding sharply from its biggest post-war slump, as improved exports and consumption helped the country emerge from the damage caused by the coronavirus pandemic. However, analysts painted the sharp bounce back as a one-off from the depths of recession and cautioned that any further rebound in the economy will be moderate as a resurgence in infections at home and abroad clouds the outlook. The rebound was driven largely by a record 4.7% surge in private consumption, as households boosted spending on cars, leisure and restaurants. External demand also added 2.9 percentage points to GDP growth thanks to a rebound in overseas demand that pushed up exports by 7.0%.</p> <p style="text-align: right;"><i>(Source: Reuters, 16 November 2020)</i></p> |
| CHINA China-led shift to electric vehicles to help end 'oil era': study | <p>An aggressive China-led shift to electric vehicles is expected to slash global oil demand growth by 70% by 2030 and will help bring an end to the "oil era". Within 10 years, China could save more than USD80 billion in annual oil import costs as new-energy vehicles (NEVs) become increasingly competitive. Its calculations were based on a "conservative" scenario by the International Energy Agency projecting that electric vehicles would account for 40% of China's total car sales by 2030, and for 20% of sales in India and other emerging markets. The cost of importing the oil required to fuel an average car is 10 times higher than the cost of solar equipment required to power an electric vehicle. China has not yet set a date when it will ban the production and sale of traditional cars, but an industry official said last month that NEVs will account for 50% of all new car sales by 2035, with hybrid vehicles making up the remainder.</p> <p style="text-align: right;"><i>(Source: Reuters, 20 November 2020)</i></p> |